



FOR IMMEDIATE RELEASE

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Donelon Announces Fifth Round of Citizens Depopulation a Success

Louisiana Insurance Commissioner Jim Donelon announced today that the recently completed fifth annual round of depopulation from the Louisiana Citizens Property Insurance Corporation (Citizens) has achieved significant results with 10,890 homeowners policies being assumed into the private insurance market. Citizens total policy count has dropped to 105,000 policies with the removal of these additional policies. With this round of take outs, Citizens is predicted to have dropped to a 4.3% homeowners market share and rank 6th in size of market share in our state. This will reduce Citizens' market share from 5.3% of the market at year end of 2010.

Citizens is the homeowners insurer of last resort in Louisiana, which saw a significant rise in its size in the aftermath of Hurricanes Katrina and Rita in 2005 with its policy count spiking to 174,000 policies in September of 2008. In 2009, when Citizens homeowners market share dropped to 6.4% of the market, Citizens first saw its market share move lower than the Citizens market share in 2004 prior to Hurricane Katrina.

Commissioner Donelon said, "Another year of success in the Citizens Depopulation Program indicates ongoing and significant improvement in the recovery of the Louisiana property insurance market. This reduction in market share of Citizens is a great indicator that the homeowners insurance market as well as the commercial property insurance market in Louisiana is rebounding from the severe hit we suffered as a result of Hurricanes Katrina and Rita. Homeowners now have a broader range of options for insurance with 16 new companies actively writing property and casualty policies in our state."

This reduction of Citizens policies benefits all property owners by preventing or reducing

future assessments that could be charged to all property insurance consumers in Louisiana in the event of another Katrina level event. An additional benefit for Louisiana property owners is that policies taken out of Citizens and written in the private insurance market will be written at lower premiums for those consumers. This is because the rates charged by Citizens are required by law to be residual or, put another way, the highest rates in a parish. Many policyholders have lowered their premiums by hundreds or even thousands of dollars after being written by a private insurance company instead of Citizens.

Five companies including Occidental, Lighthouse, Capitol Preferred, Access Home and Centauri Specialty successfully made offers to write homeowners policies previously written by Citizens. Altogether, 31,458 unique policies were requested by these companies and 10,890 policies were authorized to be moved. Citizens collaborated with independent agents as well as agents at Allstate, State Farm and Louisiana Farm Bureau who authorized the move of policies requested of them.

In the four previous rounds of Citizens depopulation, Citizens saw the following reduction in policy counts: Round one - 26,595 policies on June 1, 2008, round two - 13,343 policies on December 1, 2008, round three - 3,368 policies on April 1, 2009 and round four – 13,466 policies on December 1, 2010. Including Round 5, a total of 67,662 policies have been taken out of Citizens by private insurers.

“On behalf of Louisiana property owners I welcome new companies into the Louisiana market and will continue to focus on encouraging more companies to come to our state,” said Commissioner Donelon.